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FEBRUARY 1984

Lawn&Garden Marketing

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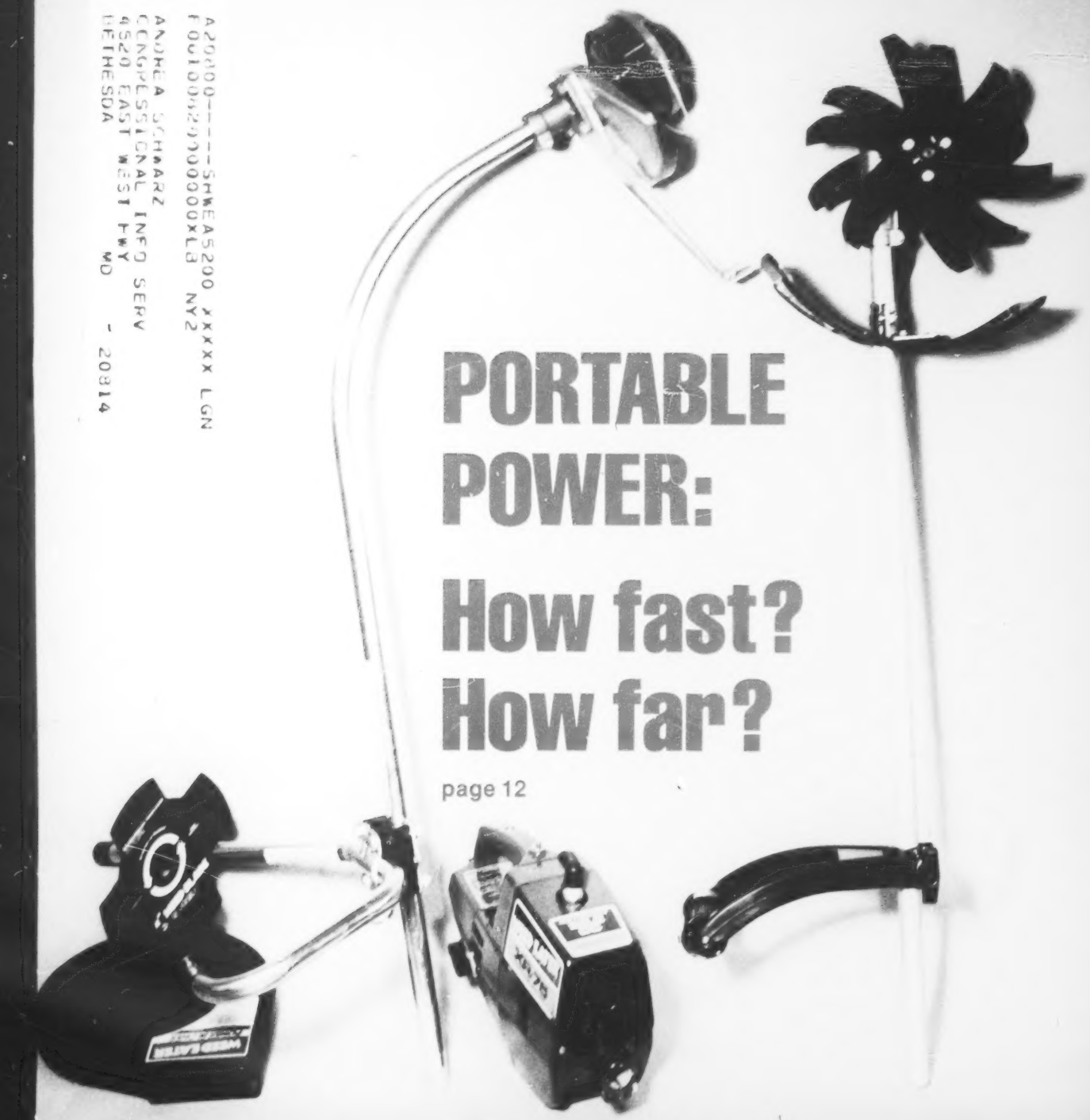

PORTABLE POWER:

How fast? How far?

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FEBRUARY 1984 VOL. 23 No. 2 PUBLISHED 10 TIMES ANNUALLY

Lawn&Garden Marketing®

The merchandising magazine for lawn, garden and leisure living products

12 PORTABLE POWER SALES CURVE How fast will the demand accelerate for small, hand-held L & G power equipment, and how far will it extend? Multiuse accessories and professional-caliber performance are invigorating the market.

27 TRAFFIC-BUILDING EVENTS Price becomes secondary when it's fun for the family to shop during creative selling events affirmed by participant retailers as generating good profits.

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16 Leisure-living products move to the forefront. Nationwide, patio-type products continue trending up. In one state, Florida, sales are spurred by displays that include the soothing enhancement of bubbling or falling water.

27 Traffic-building events When it's fun to shop, price becomes secondary.

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Postmaster: Return form 3579 to Lawn & Garden Marketing, P.O. Box 12942, Overland Park, KS 66212-0930.

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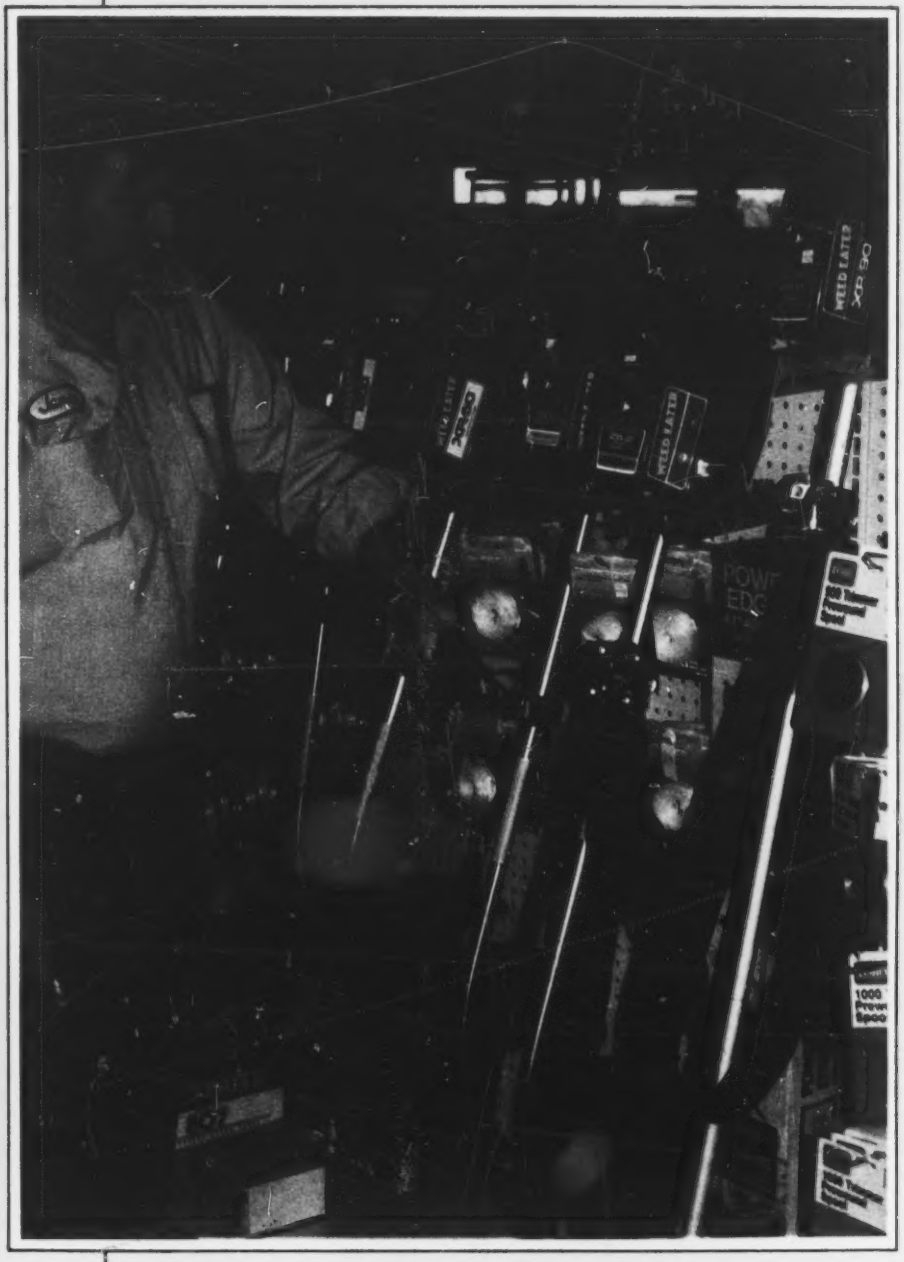
PORTABLE POWER SALES CURVE

How fast? How far?

By Wendall J. Burns



1. Second time buyers look for quality, frequently go for gasoline.

■Will the consumers' ownership of the lightweight, portable power equipment—spin trimmers, blowers, vacuums, cultivators—ever add up to the unit volume of rotary mowers, which often is seen as a benchmark for the power equipment sales?

How far will the annual shipment curve go? How quickly will this market reach maturity?

An informal survey of suppliers shows there is renewed confidence in the growth of the portable power units mentioned above, especially when considering additional accessories to give them greater utility around the home.

One of the major suppliers, Beaird-Poulan/WeedEater, reported that 85 percent of the owners of mowers also own spin trimmers. These units, which peaked in sales volume in 1979, now are making a resurgence in sales volume, with second-time buyers stepping up to better quality. Many of them are turning to gasoline-powered units to replace the lower-cost electric models they purchased the first time.

The blower/vacuums continue to gain in popularity with the public, with professional users, and with retailers and distributors. The introduction of electric models in recent years has made them more popular with consumers. The ease of using a 100 mph or faster jet of air as a substitute for sweeping tasks has the more powerful gasoline engine-powered blower/vacuums gaining favor with the public. Blower vacuums have been used by professional grounds-care personnel for 25 to 30 years.

Multiuse units help

The past two years have seen still

other innovations and improvements that make the portable power units, in a sense, a single product category, and ever more popular.

Multiuses for a single power source help consumers save money. One company now offers five tools that can be powered by one engine and shaft: blower, spin trimmer, cultivator, snow blower, edger (Beaird Poulan). Other companies offer units with two, three and four of these tools to be used with a single engine and shaft.

Also, the concept of the blower as a diversified tool continues to expand. The same device that can blow leaves off the patio can be used to blow grass clippings from the sidewalk or driveway after mowing, can blow dead leaves off the shrubs so that the dried brown leaves do not mar the beauty of the greenery; they are used to blow-dry sidewalks, pets and cars; to clean gutters and light coverings of snow on home surfaces.

Data from **Lawn & Garden Marketing's** Product Movement Report show a steady increase in sales of blowers and spin trimmers, even while other power equipment categories were level or showing a downturn.

In every region of the country, sales of leaf blowers/vacuums were reported to be up by retailers responding to the Product Movement Report for Fall, 1983 season. There was a particularly marked increase in unit volume in the West, which has been a strong market for these units for years. A total of 41 percent of the retailers responding to the question about blower/vac sales reported increases over the 1982 fall sales volume; 18 percent of those responding said volume was up from 15 to 24 percent over the previous year's volume; and 5 percent said their sales were up 25 percent over the previous year. (See Product Movement Report page 36 for greater detail, by region.)

It is notable that the distribution of the blowers is greater in the West and the South, compared to the other two major census regions, the Northeast and North Central.

Also notable, the **LGM** research data show that 73 percent of the retailers of outdoor power equipment responding to the survey handle blower/vacuums; about 85 percent handle spin trimmers.

Price points of gas spin trimmers

PRICE	% OF UNITS SOLD
Under $130	36%
$140-$170	39
$170-$200	7
$200-$250	12
$250-$300	3
Over $300	3
	100%

Source: Echo Inc.

Reasons for buying (Previous spin-trimmer owners)

	% of buyers
Old unit down	50%
Wanted more power	30
Didn't like cord	15
Misc. reasons	5
	100%

Source: Echo Inc.

Double-digit growth curve

Sales volume of spin trimmers is said to be in the double-digit growth rate: that is, above 10 percent annually. How much above 10 percent is open to question. One manufacturer said the increase in industry shipments of the trimmer/brush cutter product category for the first nine months of the 1983 calendar year was 23 percent greater than in 1982. However, the spokesman for another major manufacturer believes the annual growth rate is above 10 percent, but not at 23 percent. It is agreed that even a 10 percent growth rate is a significant annual increase.

Steve Moore, advertising manager for Beaird-Poulan Inc. said that the concept of "added value" of the diverse uses the consumers can get from the one engine and shaft hanging on their walls of garden tools is a big motivator in that market. The consumer wants more time for leisure, fewer and less expensive items of equipment, and ease of use. The ease of four or five tools that can be added or detached to the single engine and single shaft with one bolt, is appealing to the value-minded, leisure-minded public.

Another company, Tanaka Kogyo Inc., Kent, WA, has come up with a trimmer with an automatic device to feed the proper length of cord without operator assistance. Bill Thompson, president of Tanaka, said the company set out less than a year ago to develop the automatic feed and is offering this to the public as a new feature on its units this spring.

Profile of trimmer buyers

A profile of the buyers of spin trimmers was described for retailers and distributors who attended the seminar on outdoor power equipment during the National Hardware Show in Chicago. The data and interpretation was presented by Donald A. Bartelt, senior vice president of marketing, Echo Inc., and also board chairman of the Chain Saw Mfrs. Assn. The chain saw manufacturing companies have been especially instrumental in the technical development and marketing of the portable power units.

continued...

Bartelt said that 55 to 60 percent of the buyers are first-time buyers, with the other 40 to 45 percent of the buyers being second- or third-time buyers of trimmers. Thirty percent of the buyers are female, an increase over previous years. Of the buyers of gasoline-powered units, 15 percent are female. Generally, Bartelt said, the purchasers of the gasoline units have larger lots, with 80 percent of them having one-fourth acre or more. The age bracket with the highest frequency of gas trimmer purchases is 30 to 40 years.

Time, place of purchase

"We found that 65 percent (of trimmers) were purchased in May, June and July, with June representing about 30 percent," Bartelt said. "This figure varies, depending on construction of the unit...For instance, the selling season is considerably longer for straight shaft units and units capable of being used as both a monofilament trimmer and brush (bladed) cutter. These (latter) units are sold and used throughout the year." He said that 25 percent of the market is for brush cutters, rather than grass and weed trimming.

He pointed out that the market is concentrated in the consumer end of the product spectrum, with 75 percent of all units sold priced under $169.95.

Bartelt said there are about 4.5 million trimmers sold annually in the United States, with 70 percent being electric and 30 percent gasoline. But, 70 percent of the dollar volume for the units is for the gasoline models. This is the fastest-growing segment.

Hardware/home centers lead in sales volume. They sell 24 percent of the units, Bartelt said. Here is how the other retailer categories rank in selling these units: department stores, 20 percent; discounters, 16 percent; outdoor power equipment retailers and lawn and garden outlets have 30 percent of the market.

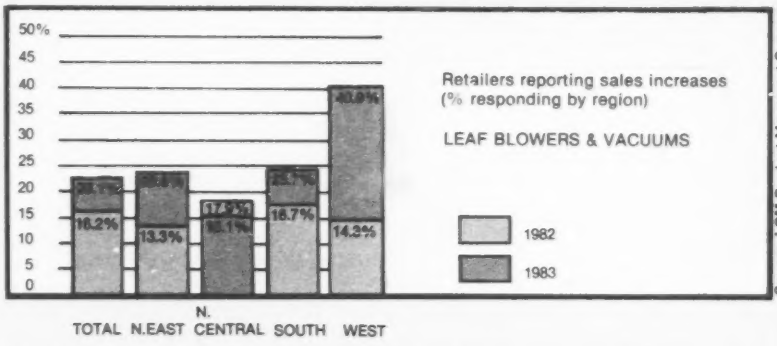
The distribution and profit picture of the spin trimmers has come from zero to around $500 million in 10 years.

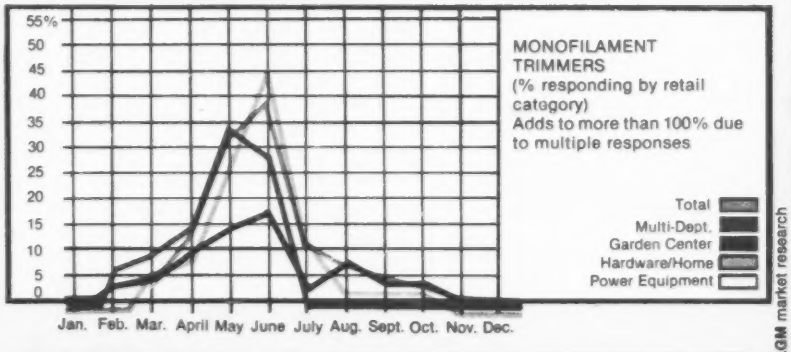
HMC Inc. has introduced a gasoline-powered weeder/cultivator, after having successfully introduced an electric model. The potential for this category of product, supplied also by Beaird-Poulan and other manufacturers, is believed to be significant, but the units need to be demonstrated to show that they are durable, effective labor-savers.

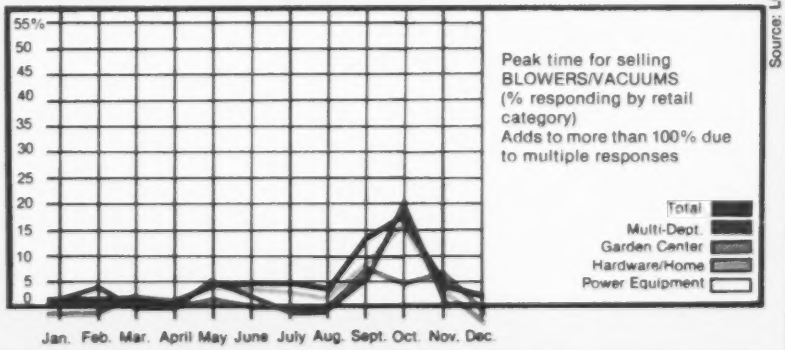
With the increased interest in small beds for flowers and vegetables and the continued involvement of the public in lawn and garden activities, the demand for a portable, powered hoe or cultivator and for smaller tillers with wheels is expected to grow, according to some researchers of this market.

In short, the market for portable power products for lawn and garden will go far. How fast depends on the economy, the weather, and the willingness of the retailers to display and demonstrate these units. □

2. Electrics popularize concept of blowers.







Product Movement Report, autumn, 1983

■Retailers responding to the quarterly product movement survey reported an overall flat sales curve for the 1983 fall selling season.

In seven of the eight categories, retailers reported that sales were about the same as last year. In four of those categories, more dealers reported sales to be up than down.

Kerosene heaters were the only product to show a sharp decline. Fewer dealers are carrying them because of weather, competition and bad publicity. These responses were given before the snow storms and cold weather that hit much of the nation in December.

Preseason snow thrower sales were reported to be the same as last year, but more dealers who reported a change reported sales to be down than up, except in the Northeast, where sales were up. The number of dealers carrying snow throwers has declined 23 percent. The December storms may have improved winter sales in this product category, also.

Chain saw sales were reported to be the same or better than last year by 54 percent of the respondents. In the West, 42 percent said sales were up. The Northeast reported sales to be the same as last year, but 74 percent of the respondents carry the product, almost 10 percent more than last year.

Leaf blower/vacuum sales are holding their own, with 61 percent of the respondents reporting sales to be the same or better than last year. The product is growing in popularity; 73 percent stock them compared with 62 percent last year.

Most respondents reported that garden tool sales were the same as last year. The number of dealers carrying garden tools remained about the same.

Lawn fertilizer sales are slipping. Though 37 percent reported sales to be the same as last year, 34 percent said they were down. Sales were best in the Northeast, where 38 percent reported increases.

With 79 percent of the respondents indicating sales to be the same or better than last year, grass seed is in a favorable position, especially in the North Central region, where 46 percent said sales are up. This continues a slight upward trend.

Bulb sales were reported to be up or the same by 47 percent of the respondents—which is impressive since this is a large part of the 56 percent of the respondents who carry bulbs. This appears to be a good product for those who carry it, though that number has declined slightly. □

Eight product lines measured

		TOTAL %	NORTHEAST %	N. CENTRAL %	SOUTH %	WEST %
Chain saws	sales up	23.2	20.6	13.2	30.6	41.7
	sales same	30.5	32.8	30.6	30.5	27.8
	sales down	18.4	20.7	24.5	11.9	8.3
Leaf blowers/ vacuums	up	23.1	23.6	16.1	23.7	40.9
	same	38.1	31.6	35.6	42.0	50.0
	down	11.3	13.2	9.6	15.9	4.6
Kerosene heaters	up	1.2	.....	.....	5.2	.....
	same	5.0	2.6	9.7	2.6	.....
	down	26.9	26.3	24.2	34.2	22.8
Snow throwers	up	14.4	31.5	11.3	7.9	4.6
	same	31.1	36.8	43.5	10.6	22.7
	down	19.5	26.4	32.3	2.6	.....
Garden tools	up	16.5	17.3	15.8	14.6	19.3
	same	54.6	63.4	50.0	56.3	48.4
	down	17.8	15.5	13.2	25.0	22.6
Lawn fertilizers	up	27.5	37.5	20.0	29.6	23.6
	same	37.2	34.3	40.0	33.4	41.1
	down	34.4	28.2	37.5	37.0	35.3
Grass seed	up	38.2	38.5	46.1	31.2	29.0
	same	40.6	51.8	34.2	37.5	41.9
	down	13.5	7.8	14.5	18.8	13.0
Bulbs	up	17.5	13.5	17.1	14.6	29.0
	same	29.0	38.5	23.7	35.4	16.1
	down	9.7	11.5	11.8	4.2	9.7

Percentages do not add to 100 because all respondents do not carry all products.

Current inventory of chain saws (median no. of units per store)	17.1	17.3	14.5	20.6	20.0